

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

<b>In re:</b>  <b>FIELDWOOD ENERGY LLC, <i>et al.</i>,</b>  <b>Debtors.<sup>1</sup></b>	§ § § § § § §	<b>Chapter 11</b>  <b>Case No. 20-33948 (MI)</b>  <b>(Jointly Administered)</b>
---	---------------------------------	---

**WATLER OIL & GAS CORPORATION’S OBJECTION TO DEBTORS’  
NOTICE TO CONTRACT PARTIES TO EXECUTORY CONTRACTS AND  
UNEXPIRED LEASES OF THE SCHEDULE OF ASSUMED CONTRACTS  
AND CURE AMOUNTS AND DEBTORS’ NOTICE OF FILING OF  
AMENDED SCHEDULE OF ASSUMED CONTRACTS AND CURE AMOUNTS  
[Related Docket Nos. 1395, 1456]**

Walter Oil & Gas Corporation (“Walter”) hereby files this Objection to Debtors’ *Notice to Contract Parties to Executory Contracts and Unexpired Leases of the Schedule of Assumed Contracts and Cure Amounts* (Docket No. 1395) and *Notice of Filing of Amended Schedule of Assumed Contracts and Cure Amounts* (Docket No. 1456) (collectively, the “Cure Notice”) and states as follows:

**BACKGROUND**

1. Walter and Fieldwood Energy LLC (“Fieldwood”) are parties to that certain Offshore Operating Agreement dated December 1, 1979 (the “SS 189 OOA”) pursuant to which Walter operates Lease No. OCS-G 04232, Ship Shoal Block 189 (the “SS 189 Field”).

---

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Fieldwood Energy LLC (6778), Fieldwood Energy Inc. (4991), Fieldwood Onshore LLC (3489), Fieldwood SD Offshore LLC (8786), Fieldwood Energy Offshore LLC (4494), Fieldwood Offshore LLC (2930), GOM Shelf LLC (8107), FW GOM Pipeline, Inc. (8440), Galveston Bay Procession LLC (5703), Galveston Bay Procession LLC (0422), Fieldwood Energy SP LLC (1971), Dynamic Offshore Resources NS, LLC (0158), Bandon Oil and Gas, LP (9266), and Bandon Oil and Gas GP, LLC (9172). The Debtors’ primary mailing address is 2000 W. Sam Houston Parkway S., Suite 1200, Houston, TX 77042.

2. The SS 189 OOA provides the terms by which Walter incurs expenses for the SS 189 Field on behalf of all joint interest owners and the means by which such joint interest owners are to reimburse Walter for each's share of such expenses pursuant to Joint Interest Billings ("JIBs") issued by Walter.

3. Pursuant to the terms of the SS 189 OOA, Fieldwood owes Walter **\$104,101.46** for unpaid JIBs associated with the SS 189 OOA through April 20, 2021.

4. Walter and Fieldwood are parties to that certain Operating Agreement dated January 1, 1985 (the "MP 300 OA") pursuant to which Walter operates Lease No. OCS-G 01317, Main Pass Block 300 (the "MP 300 Field").

5. The MP 300 OA provides the terms by which Walter incurs expenses for the MP 300 Field on behalf of all joint interest owners and the means by which such joint interest owners are to reimburse Walter for each's share of such expenses pursuant to JIBs issued by Walter.

6. Pursuant to the terms of the MP 300 OA, Fieldwood owes Walter **\$7,131.82** for unpaid JIBs associated with the MP 300 OA through April 20, 2021.

7. Walter and Fieldwood are parties to that certain Joint Operating Agreement dated February 11, 1985 (the "MP 301 JOA") pursuant to which Walter operates Lease No. OCS-G 04486, Main Pass Block 301 (the "MP 301 Field").

8. The MP 301 JOA provides the terms by which Walter incurs expenses for the MP 301 Field on behalf of all joint interest owners and the means by which such joint interest owners are to reimburse Walter for each's share of such expenses pursuant to JIBs issued by Walter.

9. Pursuant to the terms of the MP 301 JOA, Fieldwood owes Walter **\$43,013.96** for unpaid JIBs associated with the MP 301 JOA through April 20, 2021.

10. Walter and Fieldwood are parties to that certain JDA Offshore Operating Agreement dated September 15, 2017, as amended (the “ST 311/ST 320 JDA OOA”) pursuant to which Walter operates the joint development area covering portions of Lease Nos. OCS-G 31418, South Timbalier Block 311 and OCS-G 24990, South Timbalier Block 320 (the “ST 311/ST 320 Field”).

11. The ST 311/ST 320 JDA OOA provides the terms by which Walter incurs expenses for the ST 311/320 Field on behalf of all joint interest owners and the means by which such joint interest owners are to reimburse Walter for each’s share of such expenses pursuant to JIBs issued by Walter.

12. Pursuant to the terms of the ST 311/ST 320 JDA OOA, Fieldwood owes Walter **\$237,847.59** for unpaid JIBs associated with the ST 311/ST 320 JDA OOA through April 20, 2021.

13. Walter and Fieldwood are parties to that certain Joint Operating Agreement dated July 15, 2008 (the “ST 311 JOA”)<sup>2</sup> pursuant to which Walter operates a portion of Lease No. OCS-G 31418, South Timbalier Block 311 (the “ST 311 Field”).

14. The ST 311 JOA provides the terms by which Walter incurs expenses for the ST 311 Field on behalf of all joint interest owners and the means by which such joint interest owners are to reimburse Walter for each’s share of expenses pursuant to JIBs issued by Walter.

15. Pursuant to the terms of the ST 311 JOA, Fieldwood owes Walter **\$232,179.14** for unpaid JIBs associated with the ST 311 Field through April 20, 2021.

---

<sup>2</sup> Although the ST 311 JOA is not expressly listed on the Cure Notice, a number of agreements associated with the ST 311 Field are included with the Cure Notice, indicating Debtors’ intent to assume this field’s relevant contracts. Walter presumes the ST 311 JOA will be added on a subsequent amended list for the Cure Notice but did not want to miss the deadline to object to the cure amount associated therewith so has included it herein.

16. On May 27, 2021, Debtors' filed the Cure Notice, in which Debtors appear to evidence their intention to assume certain contracts related to the SS 189 Field, the MP 300 Field, the MP 301 Field, the ST 311/ST 320 Field, and the ST 311 Field.

### **OBJECTIONS**

Walter objects to the Cure Notice as follows:

17. The Cure Notice fails to provide sufficient information on its face to allow Walter to clearly identify the contracts at issue. The Cure Notice identifies nearly 2,000 contracts with "known contract counterparties," which appear to be the original parties to the contracts, and then certain other "related lease parties," with no clear indication of the significance of such designation. Walter thus objects to the Cure Notice as insufficient for failing to adequately describe the relevant agreements.

18. Due to the Cure Notice's inadequate descriptions, Walter reserves the right to further object to the Cure Notice and any amendments thereto.

19. With respect to the SS 189 OOA, Debtors have identified a \$0.00 cure amount. For the reasons set forth above, the proper cure amount for Fieldwood to assume the SS 189 OOA is **\$104,101.46.**

20. With respect to the MP 300 OA, Debtors have identified a \$0.00 cure amount. For the reasons set forth above, the proper cure amount for Fieldwood to assume the MP 300 OA is **\$7,131.82.**

21. With respect to the MP 301 JOA, Debtors have identified a \$0.00 cure amount. For the reasons set forth above, the proper cure amount for Fieldwood to assume the MP 301 JOA is **\$43,013.96.**

22. With respect to the ST 311/ST 320 JDA OOA, Debtors have identified a \$0.00 cure amount. For the reasons set forth above, the proper cure amount for Fieldwood to assume the ST 311/ST 320 JDA OOA is **\$237,847.59**.

23. With respect to the ST 311 JOA, Debtors have identified a \$0.00 cure amount. For the reasons set forth above, the proper cure amount for Fieldwood to assume the ST 311 JOA is **\$232,179.14**.

### **RESERVATION OF RIGHTS**

24. Walter expressly reserves its rights with respect to the Cure Notice and any amendments to same, adequate assurance of the future performance, Debtors' Plan and Restructuring Transaction, and all rights with respect to any claim it may assert in this case.

Respectfully Submitted,

**LOOPER GOODWINE P.C.**

/s/ Paul J. Goodwine

Paul J. Goodwine (La. Bar No. 23757)

SDTX Federal ID No. 437800

Lindsey M. Johnson (La. Bar No. 34610)

SDTX Federal ID No. 2127344

650 Poydras Street, Suite 2400

New Orleans, Louisiana 70130

Telephone: (504) 503-1500

Facsimile: (504) 503-1501

Email: pgoodwine@loopergoodwine.com

Email: ljohnson@loopergoodwine.com

***Attorneys for Walter Oil & Gas  
Corporation***

**CERTIFICATE OF SERVICE**

I hereby certify that on this 7<sup>th</sup> day of June, 2021 a true and correct copy of the foregoing document was served via this Court's CM/ECF system on all parties having consented to such electronic service in this case.

/s/ Paul J. Goodwine  
Paul J. Goodwine